



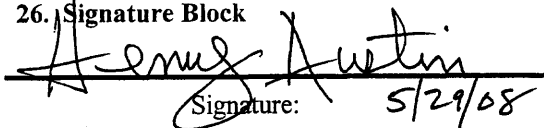
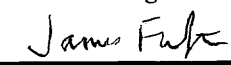
U. S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation
State Program



0016

RECEIVED

JUN 09 2008

1. Permittee/Person UTAH AMERICAN, INC.		9. Permit Number UT-007-041		10. Permit Type PP	
2. Address PO BOX 1077		11. Field Visit Date 05/20/2008 mm - dd - yyyy		12. Purpose O	
3. City Price		14. Permit Status A		15. Site Status AP	
4. State UT		17. OSM Office # 140		16. Facility Type BFG	
5. Zip Code 84501		18. CCID # 		19. Land Code SF	
6. Phone Number (435) 888-4000		20. M.S.H.A ID # 		21. State Abrev. UT	
7. Operator Name, if Different than Permittee 		23. AVS Permittee Entity ID Number 		22. County Name CARBON	
8. Mine Name WEST RIDGE MINE		24. State Office 			
25. Hours 2.0 a. Permit Review 5.0 b. Site Visit Time 2.5 c. Travel Time 2.0 d. Report Writing		26. Signature Block  Signature: 5/29/08 HENRY AUSTIN ID # 116 Printed Name: Date: 05/29/2008		27. Reviewing Official:  Signature: Review Date: 5/30/2008 mm - dd - yyyy Is Supplemental MSE Page Used Y/N Y	

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12

Oxx.... Oversight
Axx.... Assistance

RFx.... Reclamation Fees
Fxx.... Federal Actions

CCR.... Citizen Complaint Referral (non site visit)
CC.... Citizen Complaint (initial site visit)
CCF.... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14

A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.
IN.... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.
BR.... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)

AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)
AB1.. Bond Forfeiture: Bond forfeiture officially in process or completed, and, reclamation in progress or not yet commenced.
AB2.. Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
AB3.. Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
NA.... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15

ND.... No Disturbance: No coal mining and reclamation operations have been started.
EX.... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
AP.... Active Coal Producing: Coal surface mining activities are occurring.
AN.... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.
NM.... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.

MC.... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.
TC.... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).
P1.... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
P2.... Phase II Release: At least Phase II bond release for the entire permitted area.
P3.... Phase III Release: Reclamation completed and the RA has released all bond.

NS.... Non-Site Visit: Status of site not determined.
FP.... Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
FR.... Forfeited and Reclaimed: Forfeiture reclamation completed.
FO.... Abandoned Site: Abandoned site that is permitted but there is no bond.
WC.... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16

A.... Surface
B.... Underground
C.... Preparation Plant

D.... Ancillary (Haulroad, Conveyor, and/or Rails)
E.... Refuse and/or Impoundment
F.... Loading Facility and/or Tipple
G.... Stockpiles

H.... Exploration Permits
I.... Notice of Intent to Explore
J.... Exempt 16 and 2/3
K.... Government Financed Construction Exemption

L.... Remining site permitted under 30 CFR 785.25

Small Business Regulatory Enforcement Fairness Act (SBREFA)
Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/
Person **UTAH AMERICAN, INC.**

Permit
Number **UT-007-041**

Field Visit
Date **05/20/2008**

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

A. Administrative 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. <u>1</u> Temporary Cessation 7. <u>1</u> AML Rec. Fees -- Non-Respondent 8. <u>1</u> AML Rec. Fees -- Failure to Pay	D. Backfilling & Grading 1. <u>1</u> Exposed Openings 2. <u>1</u> Contemporaneous Reclamation 3. <u>1</u> Approximate Original Contour 4. <u>1</u> Highwall Elimination 5. <u>1</u> Steep Slopes (includes downslope) 6. <u>3</u> Handling of Acid & Toxic Materials 7. <u>1</u> Stabilization (rills and gullies)	H. <u>1</u> Subsidence Control Plan I. Roads 1. <u>1</u> Road Construction 2. <u>1</u> Certification 3. <u>1</u> Drainage 4. <u>1</u> Surfacing and Maintenance 5. <u>1</u> Reclamation
B. Hydrologic Balance 1. <u>1</u> Drainage Control 2. <u>1</u> Inspections & Certifications 3. <u>1</u> Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. <u>1</u> Effluent Limits 7. <u>1</u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u>3</u> Drainage -- Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u>1</u> Stream Buffer Zones	E. Excess Spoil Disposal 1. <u>3</u> Placement 2. <u>3</u> Drainage Control 3. <u>3</u> Surface Stabilization 4. <u>3</u> Inspections & Certifications	J. Signs & Markers 1. <u>1</u> Signs 2. <u>1</u> Markers
C. Topsoil & Subsoil 1. <u>1</u> Removal 2. <u>1</u> Substitute Materials 3. <u>1</u> Storage and Protection 4. <u>1</u> Redistribution	F. Coal Mine Waste (Refuse Piles/Impoundments) 1. <u>3</u> Drainage Control 2. <u>3</u> Surface Stabilization 3. <u>3</u> Placement 4. <u>3</u> Inspections and Certifications 5. <u>3</u> Impounding Structures	K. <u>1</u> Distance Prohibitions L. Revegetation 1. <u>1</u> Vegetative Cover 2. <u>1</u> Timing
	G. Use Of Explosives 1. <u>3</u> Blaster Certification 2. <u>3</u> Distance Prohibitions 3. <u>3</u> Blast Survey/Schedule 4. <u>3</u> Warnings & Records 5. <u>3</u> Control of Adverse Effects	M. <u>1</u> Postmining Land Use N. Other

General
Performance
Category

___ 1) _____
___ 2) _____
___ 3) _____

Performance Standard Categories 30 CFR Counterpart

A. Administrative.....	E. Excess Spoil Disposal.....(816/817.71-74)
1. Valid Permit.....773.11	1. Placement.....71(e)
2. Mining within Bonded Area.....773.11	2. Drainage Control.....71(f)
3. Terms & Conditions of Permit.....773.17	3. Surface Stabilization.....71(g)
4. Liability Insurance.....800.60	4. Inspections & Certifications.....71(h)
5. Ownership and Control.....778.13	F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84)
6. Temporary Cessation.....842.11(e) & 816/817.131	1. Drainage Control.....83(a)
7. AML Rec. Fees -- Non-Respondant.....870.15(b)	2. Surface Stabilization.....83(b)
8. AML Rec. Fees -- Failure to Pay.....870.15(a)	3. Placement.....83(c)
B. Hydrologic Balance.....(816/817.41-57)	4. Inspections and Certifications.....83(d)
1. Drainage Control.....45	5. Impounding Structures.....84
2. Inspections & Certifications.....49(a)(10)	G. Use of Explosives.....(816/817.61-68)
3. Siltation Structures.....46	1. Blaster Certification.....61(c)
4. Discharge Structures.....47	2. Distance Prohibitions.....61(d)
5. Diversions.....43	3. Blast Survey/Schedule.....62-64
6. Effluent Limits.....42	4. Warnings & Records.....66 & 68
7. Ground Water Monitoring.....41(c)	5. Control of Adverse Effects.....67
8. Surface Water Monitoring.....41(e)	H. Subsidence Control Plan.....(817.121-122)
9. Drainage--Acid - Toxic Materials.....41(f)	I. Roads.....(816/817.150-151)
10. Impoundments.....49	1. Road Construction.....150(c)
11. Stream Buffer Zones.....57	2. Certification.....151(a)
C. Topsoil & Subsoil.....(816/817.22)	3. Drainage.....150(b)-151(d)
1. Removal.....22(a)	4. Surfacing and Maintenance.....150(e)-151(d)
2. Substitute Materials.....22(c)	5. Reclamation.....150(f)
3. Storage and Protection.....22(c)	J. Signs & Markers(816/817.11)
4. Redistribution.....22(d)	1. Signs.....11(a),(b),&(c)
D. Backfilling & Grading.....(816/817.95-107)	2. Markers.....11(a),(b),(d),(e),&(f)
1. Exposed Openings.....816/817.13, 14, 15, & 823.11 & 21	K. Distance Prohibitions.....(761.11)
2. Contemporaneous Reclamation.....100	L. Revegetation.....(816/817.111-116)
3. Approximate Original Contour.....102(a)(1)	1. Vegetative Cover.....111 & 116
4. Highwall Elimination.....102(a)(2)	2. Timing.....113
5. Steep Slopes (includes downslope).....107	M. Postmining Land Use.....(816/817.133)
6. Handling of Acid & Toxic Materials.....102(c)	
7. Stabilization (rills and gullies).....95(b)	

May 27, 2008

Utah American, Inc. (UAI)
PO Box 1077
Price, UT 84501

West Ridge Mine
Complete, OSM oversight inspection: May 20, 2008

Participants:

Dave Shaver, UAI
Pete Hess, Utah Division of Oil, Gas and Mining (OGM)
Henry Austin, Office of Surface Mining (OSM)

I participated in a complete inspection of the West Ridge Mine as indicated above. This mine was selected by OSM for oversight during evaluation year 2008. Weather conditions were clear and sunny and ground conditions were dry. There was no surface water runoff noted on the areas inspected, with the exception of the pumped mine water discharge into the C Canyon ephemeral stream (clear water discharge, we did not take water samples); and the second pumped mine water discharge from the (former) underground sump area down-dip the current longwall panel mining area was discharging into the fan pad perimeter ditch, and flowing overland through ditches into the upper cell of the 2 cell sedimentation pond (The former sump is now in a development mining area, and the resultant discharge is coal fines and sediments, this is temporary. We did not take water samples and this discharge was fully contained in the sediment pond's upper cell.) We discussed the 2 cell sediment pond storage capacity with respect to the mine water discharge volume; and the 2 cells containing / treating the approved, design precipitation event stormwater runoff in addition to the mine water discharge.

The primary purpose of this complete, oversight inspection was to evaluate offsite impacts. No offsite impacts were documented during the field inspection. Our review of permitting and environmental monitoring records, and discussions with Mr. Shaver, indicates the pumped mine water discharge(s) has exceeded UPDES effluent limits for total Fe on several mine water discharge sample results (monthly minimum lab analysis) beginning approximately August 2007 and continuing off and on to date (1.3 ppm daily max. is the UPDES limit for total Fe). Mr. Shaver indicated the April 2008 UPDES mine water discharge sampling exceeded total Fe effluent criteria.

Mr. Shaver discussed UAI coordination with the Utah Division of Water Quality (DWQ) regarding the recent history of total Fe exceedences from the mine water discharge. Mr. Hess indicated OGM had e-mail correspondence with DWQ during March 2008, concerning the total Fe exceedences from the West Ridge offsite discharge. The C Canyon is (normally) an ephemeral stream that drains to Grassy Trail Creek, and subsequently into the Price River, the Green River, and the Colorado River. We did not determine during the inspection whether the mine water discharge was reaching Grassy Trail Creek, and the Price River.

West Ridge Mine; pg. 2

Mr. Shaver gave us a very thorough explanation of recent underground conditions and the methodologies being utilized to treat the mine water inflow underground (flocculants, pumping and re-routing the mine water underground to allow it to settle and react with the flocculants and additional chemical binding agents). A new, larger, underground mine water sump is also planned.

Mr. Hess began the inspection with a thorough review of the surface water runoff control structures and disturbed areas at the mine facility including our inspection of the following: undisturbed area runoff diversion inlets / outlets, the alternative sediment control area (ASCA), the (clear) mine water discharge in the C Canyon ephemeral stream, and haulroad erosion / sediment control structures from the mine entrance to the mine offices were operational. Mr. Hess required minor coal (truck spillage) removal from the haulroad ditch, and maintenance of a silt fence just downhill of the haulroad turnoff entrance to the mine offices complex.

As mentioned above, the upper sediment pond cell contained black water from coal fines and sediment being pumped from the underground sump / mine development area. The lower sediment pond cell was clear. The coal crusher pad was orderly and well maintained. The fan pad was receiving both the clear and black mine water discharges in separate locations. The clear mine water discharge empties directly into the undisturbed bypass culvert system and into the C Canyon ephemeral stream. We recommended removing the willow rush in the fan pad ditch receiving the black mine water discharge.

The topsoil stockpile is well vegetated and we discussed the experimental practice requirements for evaluation of the plots establishes for different soil types. The main storage yard has been recently reorganized. The undisturbed area runoff bypass at the coal stockpile is well maintained. We discussed limiting the coal stockpile area to the approved disturbance area below where topsoil has been removed from side slopes. This concluded the field inspection.

Mr. Hess conducted a thorough review of the approved OGM mining permit and the required environmental monitoring records. Our review included the following: OGM permit term is 09/23/2005 through 04/01/2009 and includes 6,114.80 acres permitted with 29.06 acres of surface disturbance. Special permit conditions 1, 2 & 4 are in compliance; and we discussed special condition 3 regarding Mexican Spotted Owl habitat evaluation. We will follow-up on the USFWS Mexican Spotted Owl habitat "template" we discussed to ensure UAI and the USFWS are in agreement on the template requirements relative to projected disturbances approved for this OGM permit term (through 04/01/09).

Total bond amount held is \$2,117,000.00. The OGM and UAI Reclamation Agreement is outdated and needs to be revised to include current ownership and control information.

Subsidence measurement and monitoring was conducted by aerial flyover during fall 2007, and will be reported in the June 2008 annual report. Annual reports to OGM are current (2006). Individual surface and groundwater monitoring reports were not reviewed. This information is contained in an OGM water quality data base printout we reviewed, including uploaded water monitoring information through March 11, 2008.

Sedimentation pond inspections were current through the second quarter of 2008; liability insurance is current through June 1, 2008; the mid-term permit review deficiencies dated 1/04/2008 have been answered by UAI and OGM is reviewing the UAI deficiency responses. One midterm deficiency requires the permittee to include a copy of the revised reclamation cost estimate I the approved permit.

No offsite impacts were identified during the inspection. I will recommend follow up discussions with Utah DWQ, Utah Division of Wildlife Resources, and the Utah / OSM Evaluation Team to determine the potential for offsite impacts due to the mine water discharge exceeding total Fe limits (not limited to total Fe) as specified in the UPDES permit and discharging off the permit area. This concluded the inspection.

Please address any questions concerning this inspection report to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to (303) 293-5019.